

Steady 1Q2017 performance for CIT; well-positioned to capture growth opportunities with rejuvenated Board, new leadership, and strong backing of developer-sponsor ESR

- Gross Revenue of S\$27.7 million, Net Property Income of S\$19.7 million and Distribution Per Unit of 1.004 cents
- High portfolio occupancy of 95.4%
- Ongoing capital recycling with the proposed divestment of 55 Ubi Ave 3 above valuation¹
- CIT is well-positioned for its next stage of growth with a new developer-sponsor, rejuvenated board and a new Chief Executive Officer and Executive Director

Summary of Financial Results:

| | 1Q2017 (S\$ mil) | 1Q2016 (S\$ mil) | Y-on-Y (%) |
|--|---------------------|---------------------|---------------|
| Gross Revenue | 27.7 | 28.4 | (2.2) |
| Net Property Income | 19.7 | 21.5 | (8.4) |
| Amount available for distribution | 13.1 | 14.5 | (9.7) |
| Distribution Per Unit ("DPU") (cents) | 1.004 | 1.112 | (9.7) |

Singapore, 25 April 2017 – Cambridge Industrial Trust Management Limited ("CITM"), the Manager ("Manager") of **Cambridge Industrial Trust** ("CIT"), today announced Gross Revenue of S\$27.7 million for the first quarter ended 31 March 2017 ("1Q2017"), a marginal decrease of 2.2% from a year ago ("1Q2016"). Net Property Income ("NPI") decreased 8.4% to S\$19.7 million due mainly to the impact of several master leased properties that were converted into multi-tenancy properties in FY2016 as well as the impact from recent divestments.

¹ Valuation as at 31 December 2016

Total amount available for distribution for 1Q2017 was S\$13.1 million, translating to Distribution Per Unit (“DPU”) of 1.004 cents for 1Q2017, a 9.7% decrease year-on-year.

Real Estate Highlights

As at 31 March 2017, CIT’s portfolio comprise 49 properties located across Singapore with a diversified tenant base of around 213 tenants and a total gross floor area of approximately 8.4 million sq ft, across the following business sectors: logistics, warehousing, light industrial, general industrial properties, car showroom and workshop, and business parks.

Following through its strategy of capital recycling, on 20 January 2017 CIT entered into an agreement to divest 55 Ubi Avenue 3 Singapore 408864 for a consideration of S\$22.14 million, which is above valuation.

Measured by total rental revenue, approximately 17.7% of CIT’s leases are due for renewal in FY2017, of which only 3.3% (3 properties) are for single-tenanted buildings and 14.4% are for multi-tenanted buildings. Out of the three single-tenanted buildings due for lease expiry in the second half of FY2017, the Manager expects to renew or enter into new leases for two properties and divest a smaller non-core property. In 1Q2017 the leasing team renewed and secured 326,870 sq ft of new leases which resulted in improved occupancy of 95.4%. Weighted Average Lease Expiry (“WALE”) remained stable at 3.7 years.

Capital Management

As at 31 March 2017, CIT has a fully unencumbered portfolio of 49 investment properties with a combined value of approximately S\$1.35 billion, which provides maximum operational and financial flexibility. As at 31 March 2017, CIT’s gearing ratio was within the Manager’s target gearing range of 30-40%. CIT has no major refinancing requirements until 2H2018, and 90% of its interest rates exposure is fixed.

Mr. Adrian Chui Wai Yin, CEO and Executive Director of CITM, commented: “Looking ahead, pressures on rental terms are expected to continue due to the prolonged soft economic environment and rental market. Nevertheless, the Manager will continue to focus on improving occupancy rates and maximise tenant retention in the current challenging leasing market. After a few difficult years of conversions, CIT’s portfolio mix is now well-balanced, with single-tenanted lease expiries accounting for only 3.3% of portfolio rental income.”

Corporate Developments

In the beginning of FY2017 CITM appointed Mr. Ooi Eng Peng, an existing member of the Board as its new Chairman, following the retirement of the previous Chairman Dr Chua Yong Hai. Also in 1Q2017, a number of new non-executive Directors were appointed due to succession planning and changes to the shareholders of the Manager, as follows:

- Mr. Erle William Spratt (Independent Non-Executive Director and a member of the Audit, Risk Management and Compliance Committee);
- Mr. Jeffrey David Perlman (Non-Executive Director);
- Mr. Jeffrey Shen Jinchu (Non-Executive Director); and
- Mr. Philip John Pearce (Independent Non-Executive Director)

The Board now consists of four independent (including an independent Chairman), three non-independent and one executive directors, in line with the latest corporate governance requirements.

On 18 January 2017, e-Shang Redwood (“ESR”), acquired an aggregate indirect 80% stake in CITM from National Australia Bank and Oxley Global, effectively becoming CITM’s new majority shareholder. On 7 February 2017 ESR also completed the acquisition of 10.65% of outstanding CIT Units and continued to add to its stake since, becoming CIT’s second largest Unitholder with 12.01%. ESR is well-aligned with the interests of CIT’s Unitholders and management. The process to rename CIT to ESR REIT to solidify new positioning and direction is currently underway (subject to relevant approvals).

On 24 March 2017, Mr. Chui was appointed CEO and Executive Director of CITM. Mr. Chui joins the Manager from Standard Chartered Bank, bringing with him extensive experience in the regional real estate, REITs, equity and debt capital markets in both banking and the corporate sector. He most recently ran both the South East Asia real estate advisory and the Singapore real estate corporate banking divisions at Standard Chartered.

Said Mr. Chui: “I am honoured to be part of CITM’s management team, which is highly respected in the industry. I look forward to working with ESR, the new majority shareholder of the Manager and the second largest Unitholder in CIT, as well as the rejuvenated board, to continue to deliver value to our Unitholders. ESR is a leading pan-Asia logistics real estate developer, owner and operator, and is a pivotal strategic partner for CIT. We believe that CIT will be able to leverage

the sponsor's strong expertise and exposure in the industrial sector to explore strategic partnerships and augment our industrial portfolio. With a rejuvenated Board, new leadership, and the backing of a strong developer-sponsor, I am confident that CIT is well-positioned to navigate market challenges and capture opportunities as they arise.”

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About Cambridge Industrial Trust

Cambridge Industrial Trust (“CIT”), publicly listed on the Singapore Exchange Securities Trading Limited since 25 July 2006, is Singapore’s first independent industrial real estate investment trust (“REIT”).

CIT invests in quality income-producing industrial properties and has a diversified portfolio of 49 properties located across Singapore, with a total gross floor area of approximately 8.4 million sq ft and a property value of S\$1.35 billion as at 31 March 2017. The properties range from logistics, warehousing, light industrial, general industrial, a car showroom and a workshop to a business park, and are located close to major transportation hubs and key industrial zones island-wide.

The Manager’s objective is to provide Unitholders with a stable and secure income stream through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Pro-active asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

Cambridge Industrial Trust Management Limited, the Manager of CIT, is owned by two stakeholders, namely, e-Shang Redwood Limited (“ESR”) (indirectly 80 percent) and Mitsui & Co., Ltd (“Mitsui”) (20 percent):

- ESR is a leading pan-Asia logistics real estate developer, owner and operator focused on the key metropolitan areas most closely tied with consumption and global trade. Co-founded by Warburg Pincus and backed by some of the worlds’ preeminent investors including APG, PGGM, CPPIB, Ping An, Morgan Stanley and Goldman Sachs, ESR’s platform represents one of the largest in the region with over 7.3 million square metres of projects owned and under development across China, Japan and South Korea, and capital and funds management offices in Hong Kong and Singapore. ESR is one of the largest third-party landlords for market leading top e-commerce companies, “bricks-and-mortar” retailers, third party logistics providers and cold storage companies across the region.
- Mitsui is one of the largest corporate conglomerates in Japan and listed on the Tokyo Stock Exchange. It is one of the largest publicly traded companies in the world. Mitsui also developed the Japan Logistics Fund Inc., a publicly listed REIT in Japan dedicated to investing in distribution facilities.

For further information on CIT, please visit <http://www.cambridgeindustrialtrust.com>

Important Notice

The value of units in CIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of Cambridge Industrial Trust Management Limited ("**Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of CIT) ("**Trustee**"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither CIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of CIT, any particular rate of return from investing in CIT, or any taxation consequences of an investment in CIT. Any indication of CIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future CIT business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This announcement is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this announcement is not to be construed as investment or financial advice, and does not constitute an offer or an invitation to invest in CIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.